

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

| | | |
|---|---|------------------------------------|
| | X | |
| | : | |
| In re: | : | |
| | : | |
| THE FINANCIAL OVERSIGHT AND | : | PROMESA |
| MANAGEMENT BOARD FOR PUERTO RICO, | : | Title III |
| | : | |
| as representative of | : | Case No. 17-BK-3283 (LTS) |
| | : | |
| THE COMMONWEALTH OF PUERTO RICO <i>et al.</i> , | : | (Jointly Administered) |
| | : | |
| Debtors. ¹ | : | |
| | X | |
| | : | |
| In re: | : | |
| | : | |
| THE FINANCIAL OVERSIGHT AND | : | PROMESA |
| MANAGEMENT BOARD FOR PUERTO RICO, | : | Title III |
| | : | |
| as representative of | : | Case No. 17-BK-4780 (LTS) |
| | : | |
| PUERTO RICO ELECTRIC POWER AUTHORITY | : | This filing relates only to |
| | : | Case No. 17-BK-4780 (LTS) |
| | : | |
| Debtor. | : | |
| | X | |

**STATEMENT OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS IN
SUPPORT OF MOTION OF FINANCIAL OVERSIGHT AND MANAGEMENT BOARD
FOR RECONSIDERATION PURSUANT TO FED. R. CIV. P. 59 AND 60**

¹ The Debtors in these Title III cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566 (LTS)) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

To the Honorable United States Magistrate Judge Judith G. Dein:

The Official Committee of Unsecured Creditors of all Title III Debtors (other than COFINA) (the “Committee”) submits this statement in support of the *Motion of the Financial Oversight and Management Board for Reconsideration Pursuant to Fed. R. Civ. P. 59 and 60* [Docket No. 1122] (the “Motion”) and respectfully states as follows:

1. The Court denied the Oversight Board’s request for the production of documents concerning the Insurers’² loss reserve calculations based on the Insurers’ assertions that such calculations do not involve any assessment of collateral values but rather are based solely on an analysis of potential litigation outcomes. As discussed in the Motion, the Insurers have since made public disclosures indicating that their loss reserve calculations do, in fact, take into account collateral values. The Committee agrees with the Oversight Board that such disclosures constitute new evidence that justifies reconsideration of the Court’s decision and that production of the loss reserve information should now be required.

2. The Committee further agrees with the Oversight Board that, even if it is true that the Insurers calculate their loss reserves solely by reference to potential litigation outcomes, any analysis of such outcomes would necessarily require an analysis of collateral values, because collateral values are central to the litigation. Therefore, the Court should require disclosure of loss reserve calculations even if, as the Insurers contend, they are based on litigation outcomes.

3. Accordingly, for the reasons discussed in the Motion and the Oversight Board’s reply in support of the Motion, the Committee supports the Oversight Board’s request for reconsideration and respectfully requests that the Court order the Insurers to produce the requested documents.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

Dated: March 25, 2019

/s/ Luc A. Despins

PAUL HASTINGS LLP
Luc A. Despins, Esq. (*Pro Hac Vice*)
James R. Bliss, Esq. (*Pro Hac Vice*)
Nicholas A. Bassett, Esq. (*Pro Hac Vice*)
G. Alexander Bongartz, Esq. (*Pro Hac Vice*)
200 Park Avenue
New York, New York 10166
Telephone: (212)318-6000
lucdespins@paulhastings.com
jamesbliss@paulhastings.com
nicholasbassett@paulhastings.com
alexbongartz@paulhastings.com

Counsel to Official Committee of Unsecured Creditors

- and -

/s/ Juan J. Casillas Ayala

CASILLAS, SANTIAGO & TORRES LLC
Juan J. Casillas Ayala, Esq., USDC - PR 218312
Diana M. Batlle-Barasorda, Esq., USDC - PR 213103
Alberto J. E. Aneses Negron, Esq., USDC - PR 302710
Ericka C. Montull-Novoa, Esq., USDC - PR 230601
El Caribe Office Building
53 Palmeras Street, Ste. 1601
San Juan, Puerto Rico 00901-2419
Telephone: (787)523-3434
jcasillas@cstlawpr.com
dbatlle@cstlawpr.com
aaneses@cstlawpr.com
emontull@cstlawpr.com

Local Counsel to Official Committee of Unsecured Creditors